

GRUPO FINANCIERO HSBC, S.A. DE C.V.

Quarter ended 31 December 2025 Report



Highlights

Quarter ended 31 December 2025

Total operating income excluding loan impairment charges

MXN64,199m ↑ 3.6% or MXN2,206m
(2024: MXN61,993m)

Profit before tax

MXN12,804m ↑ 0.6% or MXN75m
(2024: MXN12,729m)

Return on equity

9.69% ↑ 0.2bps
(2024: 9.67%)

Net income before discontinued operations

MXN8,961m ↑ 6.6% or MXN558m
(2024: MXN8,403m)

Profit before tax (under IFRS)¹

MXN12,512m ↓ 4.0% or MXN524m
(2024: MXN13,036m)

Quarter ended December 2025

Net Loans and advances to customers

MXN460.6bn ↓ 6.6% or MXN32.32bn
(At 31 Dec 2024: MXN492.9bn)

Total Deposits

MXN565.6bn ↓ 8.5% or MXN52.5bn
(At 31 Dec 2024: MXN618.1bn)

Capital adequacy ratio

19.4% ↑ 244 bps
(At 31 Dec 2024: 16.9%)

Common equity tier 1 ratio

12.8% ↑ 191 bps
(At 31 Dec 2024: 10.9%)

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Award and recognition

DEI Awards

In 2025, HSBC Mexico was recognized at the DEI Awards, by Includyme.com, highlighting the commitment of the bank to workplace inclusion for people with disabilities. This distinction acknowledges the joint efforts made to drive projects and concrete actions that promote job opportunities and the development of diverse talent. The award reflects a year of hard work, learning, and progress in diversity and inclusion.

Economic review and outlook

Economic activity

The economic activity index (IGAE by its acronym in Spanish) rose by 1.0% in month-on-month terms in October, suggesting a slightly stronger start to Q4 2025. Services, industrial production, and agriculture activities rose by 1.2%, 0.7% and 1.4% month-on-month, respectively.

On an annual basis, overall activity rose by 1.6% in seasonally adjusted terms. Agricultural activities and services grew by 11.8% and 2.5% year-on-year, respectively. In contrast, industrial production fell by 0.7% year-on-year.

Monetary policy

Mexico's central bank (Banxico) cut the policy rate by 25bp twice in Q4 2025 (November and December). With these moves, the monetary policy rate fell to 7.0% in Q4 2025 from 7.5% in Q3 2025 Overall, from Q4 2024 to Q4 2025, the total reduction was of 300bp.

Inflation results

Inflation eased to 3.69% year-on-year in Dec 2025 from 3.76% in Sep 2025. This was driven by price declines in non-core components. Core inflation rose to 4.33% year-on-year in Dec 2025 from 4.28% in Sep 2025

¹ The main differences between Mexican GAAP and IFRS results for the twelve months to 2025 relate to differences in loan impairment charges, post-employment benefit, effective interest rate, deferred profit sharing, other insurance adjustment and additional tier 1 (AT1).

Financial performance – key metrics

Grupo Financiero HSBC Mexico delivered stable profit before tax in 2025, with improved net interest and fee income. Operational investments and prudent risk management supported performance, despite loan and deposit balances declined.

Profit before tax for the twelve months to 2025 was MXN12,804m, an increase of MXN75m or 0.6% compared with MXN12,729m for the same period in 2024.

Net interest income for the twelve months to 2025 was MXN49,665m, an increase of MXN2,423m or 5.1% compared with MXN47,242m for the same period in 2024. The increase is mainly explained by the reduction of funding costs driven by our refocus on strategy an optimized liquidity.

Loan impairment charges for the twelve months to 2025 were MXN14,132m, a decreased of MXN565m or -3.8% compared with MXN14,697m for the same period in 2024. The decrease is primarily driven by lower balances and better performance in the retail portfolio as part of the Shift to Affluent Strategy.

Net fee income for the twelve months to 2025 was MXN12,016m, an increase of MXN537m or 4.7% compared with MXN11,479m for the same period in 2024 is mainly driven by increase in commercial activity, credit card and investment funds.

Trading income for the twelve months to 2025 was MXN3,915m, a decrease of MXN1,238m or -24.0% compared with MXN5,153m for the same period in 2024, mainly due to a reduced FX trading, lower derivatives income, a reduction in market spreads versus last year and higher valuation reserves in 2025.

Other operating income (expense) for the twelve months to 2025 was an expense of MXN408m, reflecting a reduction of MXN919 million or -69.3% compared to MXN1,327 million expenses for the same period in 2024. This decrease was primarily driven by the sale of participation on acquiring business.

Administrative and personnel expenses for the twelve months to 2025 were MXN37,524m, an increase of MXN2,683m or 7.7%, compared with MXN34,841m for the same period in 2024. This rise is attributed to enhanced investment in IT and digitalization, inflationary pressure, aligning with our business strategy and provision for contingency reserves.

The cost efficiency ratio was 58.4% for the twelve months to 2025 compared with 56.2% for the same period in 2024, as revenue growth of 4% was outpaced by overall cost dynamics.

The effective tax rate was 30% for the twelve months to 2025, compared with 34.0% reported for the same period in 2024. The variation is mainly driven by reassessments in deferred tax assets.

At 31 December 2025, **net loans and advances** were MXN460.6bn, showing an overall decrease of MXN32.3bn, or 6.6% compared with MXN492.9bn. The decrease is driven by -5% reduction in (CIB) portfolio compared to 31 December 2024,

with (IWPB) portfolio reducing by -8%. This reduction is primarily due to uncertain macroeconomic conditions, which have delayed the origination of new lending deals on CIB and alignment with the Shift to Affluent Strategy in IWPB.

At 31 December 2025, **credit cost ratios² and loan loss reserves ratios³** were 3.0% (2.9% as of 31 December 2024) and 3.8% (3.6% as of 31 December 2024)

Return on equity was 9.67% for the twelve months to 2025 compared with 9.69% for the same period in 2024.

Stage 3 Loans As at 31 December 2025, stage 3 loans were MXN14.6bn, representing 3.1% of gross loans. Of this, 0.5% comprised loans assessed as unlikely to pay, despite not being 90 days past due, while 2.6% related to loans overdue by 90 days or more. At December 2024, stage 3 loans were MXN11.7bn, representing 2.3% of gross loans, with 0.1% unlikely to pay but not 90 days past due, and 2.2% overdue by 90 days or more.

Total loan loss allowances at 31 December 2025 were MXN18.1bn, a decrease of MXN0.2bn (-1%) from MXN18.3bn in December 2024. The coverage ratio declined to 124.4% in 2025 from 156.1% in 2024⁴.

At 31 December 2025, **total deposits** were MXN565.6bn, a decrease of MXN52.5bn or -8.5%, compared with MXN618.1bn at 31 December 2024, as a result of strategic deposit optimization and balance sheet management focus.⁵

HSBC Mexico S.A. ('the bank') profit before tax for the twelve months to 2025 was MXN10,331m, a decrease of MXN248m or -2.3% compared with MXN10,579m for the same period in 2024, driven by higher administrative and personnel expenses, which were offset by higher net interest income due to lower funding costs and increased non-interest income following the sale of the acquiring business.

HSBC Bank Mexico S.A. ('the bank') net income for the twelve months to 2025 was MXN7,319m, an increase of MXN453m or 6.6% compared with MXN6,866m for the same period in 2024 considering the reduction of the effective tax ratio.

HSBC Bank Mexico S.A. ('the bank') net interest income for the twelve months to 2025 was MXN49,204m, an increase of MXN2,497m or 5.3%, compared with MXN46,707m for the same period in 2024. The increase is mainly explained by the reduction of funding costs driven by our refocus on strategy and optimized liquidity.

The **profit before tax of Grupo Financiero HSBC's insurance subsidiary** for the twelve months to 2025 was MXN1.429m, an increase of MXN123m or 9.5% compared with MXN1,305m for the same period in 2024, Performance was mainly driven by stronger insurance results, reflecting positive mark-to-market revaluations arising from movements in rates.

HSBC Mexico S.A. ('the bank') is a subsidiary of Grupo Financiero HSBC, S.A. de C.V. (Grupo Financiero HSBC) and is subject to supervision by the Mexican Banking and Securities Commission. The bank is required to file financial information on a quarterly basis (in this case for the period ended 31 December 2025) and this information is publicly available. Given that this information is available in the public domain, Grupo Financiero HSBC has elected to file this release. HSBC Seguros, S.A. de C.V. Grupo Financiero HSBC (HSBC Seguros) is Grupo Financiero HSBC's insurance subsidiary.

Results are prepared in accordance with Mexican GAAP (Generally Accepted Accounting Principles).

² Credit cost ratio: Loan Impairment charges annualized/Gross Loans

³ Loan loss reserve ratio: Loan Loss Reserves/Gross Loans.

⁴ Coverage Ratio: Expected credit losses/Total loan portfolio with credit risk stage 3.

⁵ Figures split by segment are MXN300.4bn IWPB and MXN265.2bn CIB.

Our business segments^{6,7,8}

Effective from 1 January 2025, reporting segments comprise two main businesses along with Corporate Centre:

Corporate and Institutional Banking ('CIB')

is an international wholesale bank with significant competitive advantages, such as the strength of our balance sheet and our network. It has the products and skills required to serve the global banking needs of international corporate clients, particularly in transaction banking where we continue to invest. These strengths enable us to better capture global and intraregional flows as supply chains reconfigure, new trade routes emerge, economies grow, and customers' expectations of financial services evolve.

International Wealth and Premier Banking ('IWPB')

is ideally placed to capture the increasing number of affluent and high net worth, especially those with international banking needs who seek new investment opportunities to help them protect and grow their wealth. Our recognized brand, financial strength and complementary footprints serve to reinforce HSBC's position in the world's fastest-growing wealth markets. We also have an asset management business with distinct specialism in both regions offering customers access to investment opportunities across asset classes. Our unique positioning enables us to drive customer acquisition and increase take-up of wealth products, as well as growing our share of corridor flows.

Corporate and Institutional Banking (CIB)^{9,10}

Offers a full range of commercial financial services and tailored solutions to clients ranging from small enterprises to large corporates operating internationally.

Review of financial performance

Figures in MXN Millions

	Year Ended					
	31-Dec-25			31-Dec-24		
	CIB ^{8*}	MSS ⁹	CIB	CIB ^{8*}	MSS ⁹	CIB
Net interest income	13,466	1,279	14,745	14,210	574	14,784
Non-interest income	1,092	1,084	2,176	1,410	907	2,317
Total Revenue	14,558	2,363	16,921	15,620	1,481	17,101
Loan impairment charges	(2,112)	-	(2,112)	(991)	-	(991)
Net operating income	12,446	2,363	14,809	14,629	1,481	16,110
Administrative and personnel expenses	(6,273)	(1,084)	(7,357)	(6,204)	(1,090)	(7,294)
Share of profits in equity interest	15	-	15	19	-	19
Profit/(loss) before tax	6,188	1,279	7,467	8,444	391	8,835

*Credit & Lending, Trade and Payment Services

Key metrics

Profit before tax for the twelve months of 2025 was MXN7,467m, a decrease of MXN1,368m or -15.5% compared with MXN8,835m for the same period in 2024; this is driven by loan impairment charges given releases from last year compared to a business-as-usual scenario on credit provisions this year, coupled with lower net interest income and Administrative Expenses aligned with last year despite inflationary pressure. With Markets Treasury allocation, profit before tax was MXN8,895m.

Total revenue for the twelve months of 2025 was MXN16,921m, a slight reduction of MXN180m or -1.1% compared with MXN17,101m for the same period in 2024, resulting from lower net interest income related to the impact from lower volumes in Assets and Deposits as well as Central Bank rates contraction; this is partly offset by higher commercial activity generating Fee income in Trade as well as revenues in MSS.

Loan impairment charges for the twelve months of 2025 were MXN2,112m, an increase of MXN1,121m or more than 100% compared with MXN991m for same period in 2024, mainly explained by releases from last year compared with this year scenario back to expected levels.

Administrative and personnel expenses for the twelve months of 2025 were MXN7,357m, a small increase of MXN63m or 0.9% compared with MXN7,294m for the same period in 2024. This rise is attributed to enhanced investment in IT and digitalization, inflationary pressure, aligning with our business strategy and provision for contingency reserves.

At 31 December 2025, **net loans and advances to customers** were MXN220.9bn, a decrease of MXN12.2bn or 5.2% compared with MXN233.1bn at 31 December 2024. This reduction is primarily due to uncertain macroeconomic conditions, which have delayed the origination of new lending deals in the Global Corporates and Multinational sectors to 2026. However, on a year-to-date basis, average net loans and advances have grown by 5% compared to the same period from January to December 2024.

At 31 December 2025, **total deposits** were MXN265.2bn, a decrease of MXN35.5bn or 11.8% compared with MXN300.7bn at 31 December 2024. This reduction is attributed to the optimisation review of the deposit base this year alongside last year's deposit-raising measures implemented as part of our liquidity strategy. A strategic plan is in place to increase deposits towards 2026 year's end.

⁶ Markets Treasury total profit before tax for the twelve months to 2025 was MXN2,438m. Since June 2020, Markets Treasury is allocated out to the global businesses, to align them better with their revenue and expense and for the twelve months to 2025 profit before tax allocation by business was MXN1,051m to IWPB and MXN1,387m to CIB.

⁷ WPB does not include Insurance results which was MXN1,428m in profit before taxes for the twelve months to 2025.

⁸ Corporate Centre & Other MXN1,024 loss before tax for the twelve months to 2025 is not included.

⁹ CIB*: Credit and Lending, Trade and Payment Services

¹⁰ MSS*: Market and Securities Services

Milestones

Client event. 4th edition of the Leading Companies on Sustainable Innovation Award ceremony that recognizes companies with operations in Mexico that are advancing in their sustainably strategies. This is aligned to HSBC Sustainability commitment and developed in collaboration with EY, the program grew by 20% with 187 strategies submitted and 12 winners.

Client transaction. HSBC has participated in three Social & Green sustainable syndicated loans, each with a final hold exceeding USD 100 million. These facilities support our clients in achieving a range of strategic objectives, including reducing carbon emissions, advancing digital inclusion, facilitating the transition to electric and hybrid vehicles, and increasing the consumption of renewable energy. This activity underscores HSBC's ongoing commitment to enabling positive environmental outcomes and driving sustainable impact.

International Wealth and Premier Banking (IWPB)

Offers a full range of competitive banking products and services to help manage the finances of our clients, buy their homes, and save and invest for the future.

Review of financial performance

Figures in MXN Millions

	Year Ended	
	31-Dec-25	31-Dec-24
Net interest income	32,133	33,325
Non-interest income	9,989	9,114
Total revenue	42,122	42,439
Loan impairment charges	(12,020)	(13,706)
Net operating income	30,102	28,733
Administrative and personnel expenses	(27,466)	(25,508)
Share of profits in equity interest	246	255
Profit/(loss) before tax	2,883	3,480

Key metrics

Profit before tax for twelve months of 2025 was MXN2,883m, a decrease of MXN597m or -17.2% adverse compared with the MXN3,480m for 2024. This outcome reflects resilient revenues under the Shift to Affluent strategy. Although net interest income decreased, this was mitigated by reduced loan impairment charges. Growth in non-interest income was offset by higher administrative and personnel expenses. With Markets Treasury allocation, profit before tax was MXN3,861m.

Total revenue for the twelve months of 2025 was MXN42,111m, a decrease of MXN328m or 0.8% adverse, compared with MXN42,439m for 2024. Lower market interest rates created pressure on net interest income; partially offset by the sale of acquiring business and higher fee income, mainly from investments funds, resulting in a shift in the overall revenue mix.

Loan impairment charges for the twelve months of 2025 were MXN12,020m, a reduction of MXN1,686m or 12.3% better compared with prior year, mainly due to lower balances and better performance in the overall portfolio as part of the Shift to Affluent Strategy.

Milestones

Grupo Financiero HSBC, S.A. de C.V. continues its path to become the main bank of its customers. Relevant milestones achieved include:

Shift to Affluent Strategic Priority: As part of our Strategic Priority, we achieve: i) Implementation of the de-coupling of Global Private Banking resulting in a High Net Worth segment within IWPB: "Premier Elite". ii) Premier customer acquisition maintains a strong momentum, reaching 415k customers as of Nov25.

Administrative and personnel expenses for the twelve months of 2025 were MXN27,466m, an increase of MXN1,958m or 7.7% adverse compared with MXN25,508m for 2024. This rise is attributed to enhanced investment in IT and digitalization, inflationary pressure, aligning with our business strategy and provision for contingency reserves.

At 31 December 2025, **net loans and advances to customers** were MXN239.6bn, showing an overall decrease of MXN20.1bn or -7.7% compared with MXN259.7bn at 31 December 2024. This decrease is part of the Shift to Affluent Strategy.

Total deposits at 31 December 2025 amounted to MXN300.4bn, a decrease of MXN17bn or -5% from MXN317.4bn at 31 December 2024 mainly from the execution of deposit optimization strategies and the Shift to Affluent Strategy

Improving branching service for risk reduction efforts: Prioritize optimization across branches and a focus on high-quality customer segments.

Wealth and Premier Solutions: with a growing performance (17% YoY) in mutual funds AUMs, continues positioning HSBC within the main competitors in the Mexican industry.

About HSBC

Grupo Financiero HSBC, S.A. de C.V., is one of the leading financial groups in Mexico with 727 branches, 5,021 ATMs and 12,994 employees as of 31 December 2025.

For more information, visit www.hsbc.com.mx.

HSBC Holdings plc, the parent company of HSBC, is headquartered in London. HSBC serves customers worldwide from offices in 56 countries and territories. With assets of USD 3,233bn at 31 December 2025, HSBC is one of the world's largest banking and financial services organisation.

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Consolidated financial statements**Consolidated Income Statement – GROUP twelve months ended 31 December 2025***Figures in MXN Millions*

	Group	
	31-Dec-25	31-Dec-24
Interest income	91,186	94,135
Interest expense	(41,521)	(46,893)
Net interest income	49,665	47,242
Loan impairment charges	(14,132)	(14,697)
Risk-adjusted net interest income	35,533	32,545
Fees income	15,069	14,409
Fees expense	(3,053)	(2,930)
Premiums, Technical provisions, claims and other liabilities (Insurance)	(989)	(554)
Trading income	3,915	5,153
Other operating income (expense)	(408)	(1,327)
Total operating income	50,067	47,296
Administrative and personnel expenses	(37,524)	(34,841)
Net operating income	12,543	12,455
Share of profits in equity interest	261	274
Profit before tax	12,804	12,729
Income tax	(3,843)	(4,326)
Net income before discontinued operations	8,961	8,403
Net income	8,961	8,403

Consolidated Income Statement – BANK twelve months ended 31 December 2025

Figures in MXN Millions

	Bank	
	31-Dec-25	31-Dec-24
Interest income	90,760	93,687
Interest expense	(41,556)	(46,980)
Net interest income	49,204	46,707
Loan impairment charges	(14,132)	(14,697)
Risk-adjusted net interest income	35,072	32,010
Fees income	13,882	13,465
Fees expense	(3,557)	(3,403)
Trading income	1,486	3,358
Other operating income (expense)	235	(808)
Total operating income	47,118	44,622
Administrative and personnel expenses	(37,043)	(34,311)
Net operating income	10,075	10,311
Share of profits in equity interest	256	268
Profit before tax	10,331	10,579
Income tax	(3,012)	(3,713)
Net income before discontinued operations	7,319	6,866
Net income	7,319	6,866

Consolidated Balance Sheet – 2025 (Comparatives)

Figures in MXN millions

	Group		Bank	
	31 Dec 25	31 Dec 24	31 Dec 25	31 Dec 24
Assets				
Cash and cash equivalents	74,062	68,911	73,857	68,727
Margin accounts	448	96	448	96
Financial Investments	262,263	217,212	219,688	188,527
Trading financial investments	111,295	79,481	75,951	56,964
Financial investments hold to collect and sale	98,639	90,756	91,408	84,588
Financial investments hold to collect principal and interest (securities) (net)	52,329	46,975	52,329	46,975
Reverse repurchases agreements	46,352	86,024	46,352	86,024
Derivative transactions	19,035	26,850	19,035	26,850
Loan and advances - credit risk stage 1				
Commercial loans	226,135	243,241	226,135	243,241
Consumer loans	87,146	101,160	87,146	101,160
Mortgage loans	141,897	147,280	141,897	147,280
Total loan portfolio with credit risk stage 1	455,178	491,681	455,178	491,681
Loan and advances - credit risk stage 2				
Commercial loans	1,147	2,526	1,147	2,526
Consumer loans	2,712	2,968	2,712	2,968
Mortgage loans	2,294	2,138	2,294	2,138
Total loan portfolio with credit risk stage 2	6,153	7,632	6,153	7,632
Loan and advances - credit risk stage 3				
Commercial loans	6,951	4,763	6,951	4,763
Consumer loans	3,148	3,167	3,148	3,167
Mortgage loans	4,479	3,803	4,479	3,803
Total loan portfolio with credit risk stage 3	14,578	11,733	14,578	11,733
Credit Portfolio measured at fair value	2,712		2,712	
Gross loans and advances to customers	475,909	511,046	475,909	511,046
Expected credit losses	(18,131)	(18,312)	(18,131)	(18,312)
Gross loans and advances to customers - Insurance	95	176	-	-
Total net loans and advances to customers	460,585	492,910	460,490	492,734
Premium receivables	2,604	2,684	-	-
Accounts receivables from reinsurers and rebonding companies	74	81	-	-
Other accounts receivable (net)	22,061	39,263	21,743	39,381
Foreclosed assets	321	276	321	276
Long term assets held for sale	98	10	98	10
Property, furniture and equipment (net)	6,456	6,612	6,456	6,612
Property, furniture and equipment (net) – Rights-of-use assets (RoU)	2,642	3,255	2,641	3,252
Prepayments and other assets	5,805	6,425	5,640	6,061
Long-term investments	433	1,554	377	1,502
Deferred income tax asset (net)	7,085	7,467	6,963	7,357
Intangible assets (net)	7,410	7,416	7,410	7,416
Intangible assets (net) – RoU assets	227	265	-	-
Goodwill	955	955	-	-
Benefits receivable in securitization transactions	-	-	-	-
Total assets	918,916	968,266	871,519	934,825

Consolidated Balance Sheet - 2025 (continued)
Figures in MXN millions

	Group		Bank	
	31 Dec 25	31 Dec 24	31 Dec 25	31 Dec 24
Liabilities				
Deposits	565,592	618,146	566,050	618,654
Demand deposits	384,075	406,270	384,519	406,705
Time deposits	159,881	190,147	159,895	190,220
Bank bond outstanding	18,826	19,259	18,826	19,259
Global deposit account without movements	2,810	2,470	2,810	2,470
Bank deposits and other liabilities	10,368	10,301	10,368	10,301
On demand	2300	-	2300	-
Short-term	4,364	5,881	4,364	5,881
Long-term	3,704	4,420	3,704	4,420
Pending securities to pay	-	1	-	1
Technical reserves	41,486	28,173	-	-
Unsettled transactions	-	-	-	-
Repurchase agreements	69,939	32,918	69,939	32,918
Collateral sold	27,052	69,984	27,052	69,984
Reports (credit balance)	24,232	62,059	24,232	62,059
Securities lending	2,820	7,925	2,820	7,925
Derivative financial liabilities	19,424	31,300	19,424	31,300
Trading derivatives	19,421	31,284	19,421	31,284
Hedging derivatives	3	16	3	16
Accounts payable from reinsurers and rebonding companies	10	13	-	-
Lease liabilities	2,749	3,314	2,747	3,310
Other payable accounts	39,040	38,474	38,201	37,859
Settlement accounts	17,597	18,175	17,436	18,173
Income tax and employee profit sharing payable	2,093	2,750	2,093	2,750
Contributions for future capital increases	1,091	1,302	933	1,225
Sundry creditors and other accounts payable	18,259	16,247	17,739	15,711
Financial instruments qualifying as liabilities (subordinated debt)	41,443	40,153	41,443	40,153
Subordinated debentures outstanding	41,443	40,153	41,443	40,153
Income tax liabilities	1,574	1,289	1,508	1,244
Employee benefit liabilities	6,688	6,131	6,592	6,039
Deferred credits and receivable in advance	2,022	2,240	2,022	2,240
Total liabilities	827,387	882,437	785,346	854,003
Equity				
Paid in capital	43,373	43,373	38,318	38,318
Capital stock	6,218	6,218	6,132	6,132
Additional paid in capital	37,155	37,155	32,186	32,186
Other reserves	51,020	46,159	50,514	46,019
Capital reserves	1,244	1,244	15,990	15,305
Retained earnings – prior years	40,815	36,512	27,205	23,849
Net income	8,961	8,403	7,319	6,866
Result from the mark-to-market of available- for-sale securities	899	(646)	1,081	(471)
Result from cash flow hedging transactions	(97)	(204)	(97)	(204)
Adjustment in the employee pension	(3,669)	(2,856)	(3,643)	(2,841)
Total controlling interests	91,526	85,826	86,173	80,822
Minority interest in capital	3	3	0	-
Total shareholder's equity	91,529	85,829	86,173	80,822
Total liabilities and equity	918,916	968,266	871,519	934,825

Consolidated Balance Sheet – 2025 (continued)

Figures in MXN millions

Memorandum accounts

Third party accounts

Clients current accounts

Custody operations

Proprietary position

Irrevocable lines of credit granted

Goods in trust or mandate

 Trusts

 Mandate

Goods in custody or under administration

Collateral received by the institution

Collateral received and sold or delivered as guarantee

Suspended interest on stage 3 loans

Other control accounts

Total memorandum account

	Group		Bank	
	31 Dec 25	31 Dec 24	31 Dec 25	31 Dec 24
	90,584	-	80,922	-
Clients current accounts	1,512	-	23	-
Custody operations	89,072	-	80899	-
Proprietary position	2,810,402	2,588,310	2,885,569	2,672,149
Irrevocable lines of credit granted	437,423	437,423	439,226	439,226
Goods in trust or mandate	312,979	312,979	205,548	205,548
Trusts	312,097	312,097	204,733	204,733
Mandate	882	882	815	815
Goods in custody or under administration	480,624	480,624	401,821	401,821
Collateral received by the institution	51,421	51,421	95,831	95,831
Collateral received and sold or delivered as guarantee	28,010	28,010	75,586	75,586
Suspended interest on stage 3 loans	707	707	547	547
Other control accounts	1,499,238	1,277,146	1,667,010	1,453,590
Total memorandum account	2,900,986	2,588,310	2,966,491	2,672,149

Consolidated Statement of Changes in Shareholders' Equity

Figures in MXN millions

Group	Capital contributed	Capital reserves	Retained earnings – prior years	Valuation of financial investments hold to collect or sale	Valuation of cash flow hedging transactions	Remeasurement of defined benefits to employees	Total controlling interest	Minority interest	Total equity
Total Balances at 01 Jan 2025	43,373	1,244	44,915	(646)	(204)	(2,856)	85,826	3	85,829
Adjustments for accounting changes	-	-	-	-	-	-	-	-	-
Cash dividends*	-	-	(4,100)	-	-	-	(4,100)	-	(4,100)
Capitalization of other equity items	-	-	-	-	-	-	-	-	-
Comprehensive Income:									
Net income	-	-	8,961	-	-	-	8,961	-	8,961
Other comprehensive income:									
Valuation of financial investments hold to collect and sale	-	-	-	1,545	-	-	1,545	-	1,545
Valuation of cash flow hedging transactions	-	-	-	-	108	-	108	-	108
Remeasurement of defined benefits to employees	-	-	-	-	-	(814)	(814)	-	(814)
Total	-	-	8,961	1,545	108	(814)	9,800	-	9,800
Final balances as of 31 December 2025¹¹	43,373	1,244	8,961-	899	(96)	(3,670)	108	-	95,629

¹¹ Include AT1 coupon payments.

Consolidated Statement of Changes in Shareholders' Equity

Figures in MXN million

Bank	Capital contributed	Capital reserves	Retained earnings – prior years	Valuation of financial investments hold to collect or sale	Valuation of cash flow hedging transactions	Remeasurement of defined benefits to employees	Total controlling interest	Minority interest	Total equity
Total Balances at 01 Jan 2025	38,318	15,305	30,715	(471)	(204)	(2,841)	80,822	-	80,822
Adjustments for accounting changes	-	-	(12)	-	-	-	(12)	-	(12)
Movements inherent to the shareholders' decision:									
Dividends declared (including AT1 coupon payments)	-	-	(2,812)	-	-	-	(2,812)	-	(2,812)
Capitalization of other equity items	-	-	-	-	-	-	-	-	-
Reserve movements	-	686	(686)	-	-	-	-	-	-
Comprehensive income:									
Net income	-	-	7,319	-	-	-	7,319	-	7,319
Other comprehensive income:									
Valuation of financial investments hold to collect and sale	-	-	-	1,552	-	-	1,552	-	1,552
Valuation of cash flow hedging transactions	-	-	-	-	107	-	107	-	107
Remeasurement of defined benefits to employees	-	-	-	-	-	(802)	(802)	-	(802)
Participation in comprehensive income of other entities	-	-	-	-	-	-	-	-	-
Total	-	-	7,319	1,552	107	(802)	8,176	-	8,176
Final balances as of 31 December 2025	38,318	15,990	34,524	1,081	(97)	(3,643)	86,173	-	86,173

Consolidated Statement of Cash Flow - Group

Figures in MXN millions

	31 Dec 2025
Profit/(loss) before taxes	12,804
Adjustments for items associated with investing activities	4,631
Depreciation of property, furniture and equipment	2,387
Amortization of intangible assets	2,505
Participation in the net result of other entities	(261)
Adjustments for items associated with financing activities	6,106
Interest associated with bank deposits and other liabilities	966
Financial instruments qualifying as liabilities (subordinated debt)	5,140
Changes in items related to operating activities	(9,605)
Bank deposits and other liabilities	(899)
Margin accounts	(353)
Financial investments	(42,951)
Reverse repurchases agreements	39,672
Derivative transactions (assets)	7,969
Loan portfolio (net)	32,323
Debtors of re-insurance	80
Recoverable amounts for reinsurance and refinancing (net)	6
Change in benefits from receiving securitization operations	-
Change in inventories	-
Other accounts receivable (net)	16,922
Foreclosed assets (net)	(3)
Change in securities lending (liabilities)	(45)
Deposits	(54,111)
Technical reserves	13,313
Repurchase agreements	37,021
Collaterals sold or given in guarantee	(42,931)
Derivative transactions (liabilities)	(11,877)
Accounts payable for reinsurers	(4)
Change of assets/liabilities for employee benefits	(249)
Other accounts payable	(523)
Other provisions	(326)
Income tax payments	(2,639)
Net cash flows from operating activities	13,936
Investing activities:	
Payments for the acquisition of property, furniture and equipment	(928)
Proceeds from the sale of property, furniture and equipment	-
Collections of cash dividends from permanent investments	313
Payments for acquisition of intangible assets	(2,513)
Other receipts from investing activities	-
Other payments from investing activities	-
Net cash flows from investing activities	(3,128)
Financing activities:	
Payments of bank loans and other organizations	(1,557)
Cash dividend payments	(4,100)
Proceeds from the issuance of financial instruments that qualify as liabilities	-
Collections for the issuance of financial instruments that qualify as liabilities	-
Net cash flows from financing activities	(5,657)
Increase/Decrease in cash and equivalents	5,151
Cash and equivalents at beginning of period	68,911
Cash and equivalents as of 31 December 2025	74,062

Consolidated Statement of Cash Flow - Bank
Figures in MXN millions

31 Dec 2025

Profit before taxes	10,331
Adjustments for items associated with investing activities	4,597
Depreciation of property, furniture and equipment	2,385
Amortization of intangible assets	2,468
Other adjustments for items associated with investing activities	(256)
Adjustments for items associated with financing activities	6,106
Interest associated with bank deposits and other liabilities	966
Financial instruments qualifying as liabilities (subordinated debt)	5,140
Changes in items related to operating activities:	(8,409)
Bank deposits and other liabilities	(899)
Margin accounts	(353)
Financial investments	(29,022)
Reverse repurchases agreements	39,672
Derivative transactions (assets)	7,969
Loans and advances (net)	32,242
Change in benefits from receiving securitization operations	-
Other accounts receivable (net)	17,638
Change in securities lending (liabilities)	(1)
Foreclosed assets (net)	(45)
Other operating assets	(290)
Deposits	(54,161)
Repurchase agreements	-
Collaterals sold or given in guarantee	37,021
Derivative transactions (liability)	(42,931)
Adjustments for employee benefits	(11,877)
Other operational liabilities	(2,500)
Change of assets/liabilities for employee benefits	553
Other accounts payable	1,592
Other provisions	(222)
Income tax payments	(2,795)
Net cash flows from operating activities	12,625
Investing activities:	
Payments for the acquisition of property, furniture and equipment	(928)
Payments for the acquisition of affiliates	-
Collections of cash dividends from permanent investments	313
Payments for acquisition of intangible assets	(2,513)
Other payments from investing activities	-
Net cash flows from investing activities	(3,128)
Financing activities:	
Lease liability payments	(1,555)
Cash dividend payments	(2,812)
Proceeds from the issuance of financial instruments that qualify as liabilities	-
Payments associated with financial instruments that qualify as a liability	-
Net cash flows from financing activities	(4,367)
Increase/Decrease in cash and equivalents	5,130
Cash and equivalents at beginning of period	68,727
Cash and equivalents as of 31 December 2025	73,857

Changes in Mexican accounting standards

Introduction

These consolidated financial statements are prepared in accordance with the accounting standards applicable to financial group holding companies in Mexico, effective as of the date of the consolidated statement of financial position, issued by the National Banking and Securities Commission (CNBV for its acronym in Spanish), the entity responsible for inspecting and supervising financial group holding companies and reviewing their financial information. The subsidiaries financial statements have been prepared in accordance with the accounting criteria established by the CNBV, except for the consolidated financial statements of HSBC Insurance Company, which are prepared under the criteria applicable to Finance and Insurance Institutions in Mexico, issued by the National Insurance and Bonding Commission (CNSF, for its acronym in Spanish).

The accounting criteria established by the National Banking and Securities Commission and the National Insurance and Bonding Commission, generally follow the requirements of the Mexican Financial Reporting Standards (NIF, for its acronym in Spanish), issued by the Mexican Financial Reporting and Sustainability Standards Board (CINIF, for its acronym in Spanish), and additionally include rules for the recognition, valuation, presentation and disclosures for banking sector particular transactions, which in some cases could be different from NIF.

The accounting criteria states that the Banking Commission will issue specific rules for specialized operations. In the absence of express accounting criteria, the supplementary process established in chapter 90 Supplementary in NIF A-1, Conceptual framework of NIF will be observed, and in accordance with this, only in the event that International Financial Reporting Standards (IFRS) do not provide a solution to the accounting recognition, a supplementary standard belonging to any other regulatory scheme may be applied in the following order: Accounting Principles Generally Accepted In the United States of America and any accounting standards that is part of a set of formal and recognized standards, provided that they meet all the requirements set forth in the aforementioned NIF.

The recent changes or new developments in accounting standards issued by CNBV or CINIF applicable to the bank as principal subsidiary of Grupo Financiero HSBC, are described below:

I. CINIF issued the document "Improvements to NIF 2025".

It includes the following amendments effective from 2025 (unless otherwise stated):

Accounting changes.

NIF A-1 "Conceptual framework" – Updated disclosure requirements for "Significant Accounting Policies" to enhance relevance and clarity based on their materiality and, focusing on the nature and substance of transactions rather than duplicating or summarizing accounting standard requirements.

NIF B-14 "Earnings per share" – Now applies only to entities with equity instruments listed or in the process of listing on a stock exchange.

NIF B-15 "Foreign currency translation" – Specifies procedures when a currency becomes non-exchangeable at the conversion date. Includes guidance on determining spot rates and disclosure requirements, aligned with IAS 21.

NIF C-3 "Receivables" – Eliminates the requirement to present variable consideration (e.g. discounts, refunds) separately in income statement, aligned with NIF D-1 "Revenue from contracts with customers". Instead, requires to disclose variable consideration concepts.

NIF C-6 "Property, plant and equipment" – Eliminates the "special depreciation method" and clarifies accepted methods of depreciation.

NIF D-1 "Revenue from contracts with customers" – Scope expanded to include contracts similar to insurance contracts, but with a service delivery economic substance (e.g. roadside assistance services). Applies if: i) Price is not established in relation to risk customer assessment, ii) No payments in cash, instead providing only services and iii) Insurance risk is related to the use of assistance services, instead of uncertainty about the cost of those services.

No significant financial impacts were observed in the implementation of all these changes.

Clarifications that not resulting in accounting changes.

NIF A-1 "Conceptual framework" – Updates the definition of financial statements users to align with Sustainability Reporting Standards (NIS by its acronym in Spanish). Also, requiring the disclosure of ESG-related risks.

For accounting policies, clarifies that only the most relevant must be disclosed.

Finally, clarifies that disclosures from "Public Interest Entities" (EIP by its acronym in Spanish) should meet the broader and more diverse information needs of external users, in comparison for entities not classified as such.

NIF convergence updates with IFRS:

- NIF B-8 "Consolidated and combined financial statements" – Aligns with IFRS 10 regarding to the disclosure of significant non-controlling interests.
- NIF C-6 "Property, plant and equipment" – Removes the disclosure about the incurred and estimated accumulated investment cost to complete construction in progress.
- NIF C-8 "Intangible Assets" – IAS 38 assumes that the separate acquisition of an intangible Asset meets the probability criterion to obtain future economic benefits. Conversely, NIF C-8 requires an analysis in all cases to confirm that criterion is met raising a difference between Mex GAAP and IFRS.
- NIF C-9 "Provisions, contingencies and commitments" – Aligns with IAS 37, only a contingent asset or reimbursement must be recognised in balance sheet when it is virtually certain it will be recovered.

Also, it includes a description of costs to be considered in onerous contracts measurement in convergence with IAS 37.

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- NIF C-10 "Derivatives and hedge relationships" – This standard includes an additional criterion to determine the effectiveness in a hedge relationship, related to the economic and operational capabilities of counterparties to meet their commitments, which is not included in IFRS 9, raising a difference between Mex GAAP and IFRS.
- NIF D-8 "Share-based payment" – Aligns with IFRS 2, including clarifications about how an entity must recognise a withholding tax related to a share-based payment to an employee.

NIF clarifications:

- NIF A-1 "Conceptual framework" – Clarifies about the recycling from Other Comprehensive Income (OCI) to Income Statement upon a partial de-recognition of financial instruments.
- NIF B-1 "Accounting changes and errors" – Clarification that aims to maintain consistency with accounting reclassification definition.
- NIF B-5 "Operating segments" – expands its scope to "Public Interest Entities" (EIP by its acronym in Spanish).
- NIF B-9 "Interim financial reporting" - maintains consistency with principle of "recognition" included in chapter 60 NIF A-1 "Conceptual framework".
- NIF B-17 "Fair value measurement" – Clarifies regarding to the disclosures of assets and liabilities held to the end of reporting period, where their fair value measurement is determined based on a current basis.
- NIF C-2 "Investment in financial instruments" and NIF C-20 "Hold-to-collect financial instruments" – maintains consistency with "trade date" definition in both standards.
- NIF C-6 "Property, plant and equipment" – clarifies the disclosures included in the standard.
- NIF C-15 "Impairment of non-current assets" – Clarifies that the discount rate uses to estimate the future cash flows to determine the recoverable amount, must not be over the long-average growth rate to goods or industries, likewise country or countries and the market in which the asset is used.

Additionally, some transitory paragraphs were removed, given they are not current and in NIF Glossary were also removed the specific reference of paragraphs of the NIF, in which such terms are quoted.

No significant financial impacts were observed in the implementation of all these clarifications.

II. Accounting changes in place in 2026.

- *Improvements to NIF 2025.*

NIF C-19 "Financial liabilities" – Aligns with IFRS 9, providing additional requirements must be met, to de-recognise financial liabilities in settlement date when they are cash-settled through the use of electronic payment systems: i) entity does not have the ability to withdraw, stop or cancel payment instruction, ii) no practical ability to use the cash intended to settle the payment instruction and iii) settlement

risk associated with electronic payment system is insignificant.

NIF C-19 "Financial liabilities" and NIF C-20 "Hold-to-collect financial instruments" – Additional disclosures are required to divulgate enough information to know and well understood by interested parties, the possible uncertainties about expected future cash flows as investor and/or issuer related to financial instruments with contingent features such as ESG assets. Only applicable to "Public Interest Entities" (EIP by its acronym in Spanish).

- *New NIF A-2 "Uncertainties about going concern".*

Issued on December 6th, 2024, the objective of this standard is to clarify how the entities must analyse events and financial conditions that could originate uncertainties about going concern. Including guidance about measurement, presentation, and disclosures to entities under such situation.

By now, no significant financial impacts are expected in the implementation of accounting changes and new NIF A-2.

- *Improvements in CNBV accounting criteria.*

Issued on September 11th, 2025, the CNBV issued an update in the accounting criteria applicable to financial institutions in Mexico, in which the principal changes are:

- Improvements in the wording to align with terms used in NIF.
- Further guidance to analyse under "NIF C-10, Derivatives and hedge relationship", if a financial transaction should be considered as derivative or financial guarantee based on its economic substance.
- Inclusion of a new line within Other Comprehensive Income (OCI) to recognise fair value changes of equity instruments that were irrevocable designated to be measured through OCI.
- Amendments in accounting criteria "D-4 Cash Flows statement".

Changes will be implemented from January, 1st, 2026. No relevant impacts are expected so far.

Changes in banking regulation related to Special Accounting Criteria used in case of natural disasters, national emergencies or banking liquidation processes.

Issued on July 24th, 2025, the CNBV issued specific requirements to financial institutions to ask for Special Accounting Criteria and minimum information to disclose when they are being applied.

These changes are in force from the issuance following day. No impacts are identified in implementation.

Differences between Mexican GAAP and International Financial Reporting Standards (IFRS) Grupo Financiero HSBC, S.A. DE C.V.

HSBC Holdings plc, the ultimate parent of Grupo Financiero HSBC, S.A. DE C.V., reports its results under International Financial Reporting Standards (IFRS). Set out below is a reconciliation of the results of Grupo Financiero HSBC, S.A. DE C.V. from Mexican GAAP to IFRS for the twelve months ended 31 December 2025 and an explanation of the key reconciling items.

	<u>31 Dec 2025</u>
<i>Figures in MXN millions</i>	
Grupo Financiero HSBC – Profit / (loss) before tax under Mexican GAAP	12,804
Differences arising from:	
Loan impairment charges and other differences in presentation under IFRS	(219)
IFRS16	122
Effective interest rate	(383)
Valuation of defined benefit pensions and post-retirement healthcare benefits, including post-employment benefits	239
Fair value adjustments on financial instruments	(13)
Deferred profit sharing	(56)
Collection Cost	271
Other insurance adjustments ¹²	(108)
Others	(145)
Profit before/(loss) tax under IFRS	12,512

¹² Includes technical reserves and effects from IFRS 17

Summary of key differences between results as reported under Mexican GAAP and IFRS

1. Valuation of defined benefit pensions and post-retirement healthcare benefits, including post-employment benefits

Mexican GAAP

The present value of Defined Benefit Obligations "DBO" (including indemnity benefits for other reasons than restructuring), are calculated at the reporting date by the schemes actuaries through the Projected Unit Credit Method using a corporate/governmental bond rate as a base rate to determine the discount rate applicable.

The net costs recognised in the income statement is mainly comprised of the current service cost, plus the unwinding of the discount rate on plan liabilities (the discount rate used could be either corporate or government rate as long as it is applicable on consistent way), less the expected return on plan assets. Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has occurred), as well as the effects of changes in actuarial assumptions.

According to Mexican Accounting standard, actuarial gains and losses could be: 1) recognized separately in Other Comprehensive Income in the bank's consolidated financial statements and recycling through P&L over the average working life of the employees or 2) fully recognized in income statement, as election of the entity.

IFRS

The main differences between Mexican GAAP and IFRS comprise:

- Actuarial gains/losses are recognized in OCI under IFRS not subject to recycling or recognised totally in income statement.
- The measurement of the present value of DBO is based on a Mexican governmental rate bond, instead of a corporate rate bond.
- Indemnity benefits are not included in DBO, given they are not considered as part of benefits granted from past services.

2. Effective interest rate (EIR) adjustments

Mexican GAAP

From 2023, HSBC completed the adoption of the EIR method, where the commissions charged to the borrowers and incremental costs incurred to third parties at loan inception are recorded into a deferred credit account (liability) and as an asset, respectively. Both are part of loan net value to determine the effective interest rate and recognised using the EIR method in the net interest income during the expected life of the financial instruments in accordance with CNBV accounting standards.

Nevertheless, there are still some differences in EIR calculation for Mex GAAP in comparison with IFRS, such as: the exception of the use of EIR in credit cards and the possibility to not adjust the original EIR for those loans which the interest rate is resettable during their expected life.

Important to highlight that HSBC only applies the EIR for those loans originated at or after the implementation date (01Jan23) using a portfolio approach in accordance with the CNBV accounting standards and transitory provisions applicable to the implementation.

IFRS

After initial recognition, an entity shall measure the loan at its amortised cost using the effective interest rate "EIR" method without exceptions.

The amortised cost of the financial instrument includes any premium, discount, or fees paid and or received as result of the recognition of the financial asset.

3. Loan impairment charges and other differences in presentation under IFRS

Mexican GAAP

Loan impairment charges are calculated following the rules issued by the CNBV which since 2022 adopted an approach of Expected Credit Losses (ECL), nevertheless it will maintain some differences with IFRS methodology. Such rules establish different methodologies for ECL provisions for each type of loan.

IFRS

The impairment requirements under IFRS 9 are based on ECL concept that requires the recognition of provisions on a timely basis and forward-looking manner. ECL is determined via a two-step approach: 1) where the financial instruments are first assessed at inception regarding to for their relative credit deterioration, and 2) on ongoing basis followed by the measurement of the ECL (which depends on the credit deterioration categories).

Financial instruments with status of "performing" are considered in "Stage 1". Financial instruments which are considered to have experienced a significant increase in credit risk since their inception are in "Stage 2". Financial instruments for which there is objective evidence of impairment (in default or credit deterioration) are in "Stage 3". Financial instruments that are credit-impaired upon initial recognition are Purchased or Originated Credit Impaired (POCI), remaining this category until derecognition.

4. Fair value adjustments on financial instruments

Mexican GAAP

Since 2022, the NIF B-17 "Fair Value Measurement" requires that for those derivatives and financial instruments that should be measured at fair value, their value should be adjusted to reflect factors that would not be captured by the internal methodology of valuation, such as Debit and Credit Value Adjustments (CVA/DVA) and the use of a price into the Bid/Offer differential, as long as those financial instruments are included in the scope of article 175 Bis 3 of CNBV regulation.

IFRS

Fair Value Adjustments ("FVAs") include additional factors than those specified in Mexican GAAP.

5. Deferred-profit sharing (PTU diferida)

Mexican GAAP

Accounting standards requires that a Deferred-Employee Profit Sharing (Deferral PTU) shall be calculated applying a similar model to deferred income tax (assets and liabilities method). It is derived from temporary differences between the accounting profit and income to be used to calculate the profit sharing. Given the

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changes issued on 23 April 2021 by the Mexican government to introduce a threshold in the calculation of the "Employee Profit Sharing" (PTU by its acronym in Spanish) (the more favourable to the employee between a cap of three months of employee's wages or the average of PTU paid during the three last periods), the new procedure to calculate deferral PTU is as follows:

Step 1.- Calculate the temporary differences between accounting and taxable for PTU at the reporting end period.

Step 2.- Determine the PTU rate expected to be incurred during the following years, based on financial and tax projections or the PTU incurred in the current period.

Step 3.- PTU rate x temporary differences amount.

An asset or liability for the Deferral PTU would be recognized according to method of comparing assets and liabilities sets out in Income Tax standards applicable in Mexico (*NIF D-4 "Income Taxes"*).

IFRS

Deferral PTU is not allowed to be recognised under IFRS.

6. Insurance liabilities and Insurance premiums recognized on an annualised basis

Mexican GAAP

Insurance liabilities are determined based on Solvency II

methodology established by local regulator (CNSF) which considers best estimate liability and a risk margin concept. The best estimate is based on up-to-date credible information and realistic assumptions and aims to represent a total liability valuation aligned to its expected pricing transfer to the customer. The risk margin is calculated as the cost of providing an amount of capital equal to 10% of the Solvency Capital Requirement necessary to support the insurance obligations over their lifetime.

Insurance premiums are recognized under annualization criteria which is based to determine the total premium for the coverage period (one year), consequently total premium is recognized since the moment where insurance contracts are written.

IFRS

For insurance liabilities starting in 2023, INMX applied IFRS17 accounting standard, that aims to align insurance accounting with the principles applied by other industries, while recognizing the specific complexities of the contracts, their long-term nature, and the linkages to underlying assets (especially for participating contracts).

Establish globally consistent standard, setting a framework for measuring insurance contracts consistent with observable market parameters, and based on best estimate assumptions. The profits recognized in line with service provision (i.e., over the life of the contract) and included enhanced and more granular disclosures.